

CITY OF NORFOLK, VIRGINIA

Exhibit E-1

**Enterprise Funds
Combining Balance Sheet
June 30, 2001**

with comparative totals for 2000

	Water Utility	Wastewater Utility	Parking Facilities	Totals	
				2001	2000
ASSETS					
Current:					
Cash and cash equivalents	\$ 27,470,414	\$ (141,034)	\$ 4,442,842	\$ 31,772,222	\$ 29,738,261
Investments	4,883,078	-	4,532,958	9,416,036	28,404,978
Receivables:					
Accounts, net of allowance for uncollectible accounts	10,483,271	1,251,637	540,526	12,275,434	13,584,376
Unbilled accounts	879,844	453,133	-	1,332,977	1,543,100
Accrued investment income	114,239	2,014	49,477	165,730	180,532
Other receivables	55,840	-	-	55,840	196,747
Due from other funds	1,011,125	26,101	-	1,037,226	1,084,302
Inventories	1,317,986	57,153	77,039	1,452,178	1,413,361
Other assets	254,476	-	958,188	1,212,664	259,369
Restricted cash held in escrow	941,447	206,652	-	1,148,099	1,426,686
Restricted cash held with fiscal agent	5,823,372	-	2,171,333	7,994,705	7,900,602
Total current assets	<u>53,235,092</u>	<u>1,855,656</u>	<u>12,772,363</u>	<u>67,863,111</u>	<u>85,732,314</u>
Restricted investments	22,860,671	4,532,214	10,504,516	37,897,401	36,706,997
Fixed assets, net of accumulated depreciation	420,176,872	92,027,897	121,214,954	633,419,723	615,496,371
Other assets	833,452	-	-	833,452	1,087,928
Total assets	<u>\$ 497,106,087</u>	<u>\$ 98,415,767</u>	<u>\$ 144,491,833</u>	<u>\$ 740,013,687</u>	<u>\$ 739,023,610</u>

CITY OF NORFOLK, VIRGINIA

Exhibit E-1

Concluded

**Enterprise Funds
Combining Balance Sheet
June 30, 2001**

with comparative totals for 2000

	Water Utility	Wastewater Utility	Parking Facilities	Totals	
				2001	2000
LIABILITIES					
Current:					
Vouchers payable	\$ 4,515,026	\$ 871,639	\$ 2,255,376	\$ 7,642,041	\$ 5,221,821
Contract retainage	113,037	137,086	110,653	360,776	1,013,830
Accrued interest	784,800	556,400	244,336	1,585,536	1,776,037
Accrued payroll	749,500	66,100	197,970	1,013,570	1,115,005
Due to other funds	5,020,887	1,074,464	1,456,560	7,551,911	3,840,562
Current portion of bonds payable	31,442,684	3,525,753	3,650,172	38,618,609	38,788,726
Liabilities payable from restricted assets	6,764,819	206,652	2,171,333	9,142,804	8,903,630
Other liabilities	263,548	470,581	-	734,129	581,113
Total current liabilities	49,654,301	6,908,675	10,086,400	66,649,376	61,240,724
General obligation bonds payable	43,859,109	40,273,563	14,161,670	98,294,342	112,112,778
Revenue bonds payable	238,459,868	-	81,394,325	319,854,193	309,802,494
Advance from General Fund	-	-	2,900,000	2,900,000	3,900,000
Other long-term liabilities	357,547	-	-	357,547	5,698,026
Total liabilities	332,330,825	47,182,238	108,542,395	488,055,458	492,754,022
FUND EQUITY					
Contributed capital	38,732,770	26,447,050	16,030,575	81,210,395	81,210,395
Retained earnings	126,042,492	24,786,479	19,918,863	170,747,834	165,059,193
Total fund equity	164,775,262	51,233,529	35,949,438	251,958,229	246,269,588
Total liabilities and fund equity	<u>\$ 497,106,087</u>	<u>\$ 98,415,767</u>	<u>\$ 144,491,833</u>	<u>\$ 740,013,687</u>	<u>\$ 739,023,610</u>

CITY OF NORFOLK, VIRGINIA

Exhibit E-2

Enterprise Funds

Combining Statement of Revenue, Expenses and Changes in Retained Earnings

For the Year Ended June 30, 2001

with comparative totals for 2000

	Water Utility	Wastewater Utility	Parking Facilities	Totals	
				2001	2000
Operating revenue:					
Net charges for services	\$ 59,125,866	\$ 11,979,737	\$ 16,444,810	\$ 87,550,413	\$ 87,770,319
Miscellaneous	2,932,113	108,527	-	3,040,640	2,235,654
Total operating revenue	<u>62,057,979</u>	<u>12,088,264</u>	<u>16,444,810</u>	<u>90,591,053</u>	<u>90,005,973</u>
Operating expenses:					
Personal services	8,858,422	2,861,895	4,844,909	16,565,226	15,929,094
Plant operations	4,779,821	1,089,738	653,190	6,522,749	7,313,621
Chemicals	1,503,497	59,669	1,656	1,564,822	1,610,815
Provision for bad debts	496,085	147,416	-	643,501	290,108
Depreciation	9,155,844	1,564,610	2,964,106	13,684,560	12,858,927
Administrative expenses	1,277,371	1,280,484	268,457	2,826,312	2,473,221
Other	11,817,007	1,193,716	113,940	13,124,663	12,589,765
Total operating expenses	<u>37,888,047</u>	<u>8,197,528</u>	<u>8,846,258</u>	<u>54,931,833</u>	<u>53,065,551</u>
Operating income	<u>24,169,932</u>	<u>3,890,736</u>	<u>7,598,552</u>	<u>35,659,220</u>	<u>36,940,422</u>
Non-operating revenue (expenses):					
Interest income, net of interest capitalized	2,401,321	92,372	664,670	3,158,363	3,109,167
Interest expense and fiscal charges	(15,837,912)	(1,240,393)	(4,596,602)	(21,674,907)	(19,914,019)
Gain (loss) on sale or disposal of fixed assets	(227,019)	(111,702)	147	(338,574)	(2,942,919)
Unrealized gain/(loss) on investments	414,979	-	33,412	448,391	(287,443)
Miscellaneous Revenue	-	-	103,399	103,399	-
Total non-operating revenue (expenses)	<u>(13,248,631)</u>	<u>(1,259,723)</u>	<u>(3,794,974)</u>	<u>(18,303,328)</u>	<u>(20,035,214)</u>
Income before operating transfers and capital contributions	10,921,301	2,631,013	3,803,578	17,355,892	16,905,208
Capital contributions	102,858	25,885	-	128,743	-
Operating transfers out	<u>(10,346,000)</u>	<u>(1,450,000)</u>	<u>-</u>	<u>(11,796,000)</u>	<u>(9,450,000)</u>
Net income	<u>678,159</u>	<u>1,206,898</u>	<u>3,803,578</u>	<u>5,688,635</u>	<u>7,455,208</u>
Retained earnings, beginning of year	125,364,333	23,579,581	16,115,285	165,059,199	157,603,985
Retained earnings, end of year	<u>\$ 126,042,492</u>	<u>\$ 24,786,479</u>	<u>\$ 19,918,863</u>	<u>\$ 170,747,834</u>	<u>\$ 165,059,193</u>

CITY OF NORFOLK, VIRGINIA

Exhibit E-3

Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2001
with comparative totals for 2000

	Water Utility	Wastewater Utility	Parking Facilities	Totals 2001	2000
Cash flows from operating activities:					
Operating income	\$ 24,169,932	\$ 3,890,736	\$ 7,598,552	\$ 35,659,220	\$ 36,940,422
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	9,155,844	1,564,610	2,964,106	13,684,560	12,858,927
Amortization	719,075	-	175,694	894,769	1,043,529
Loss (gain) on disposal of assets	(227,019)	(111,702)	147	(338,574)	-
Provision for bad debts net of recoveries	224,839	-	-	224,839	(659,468)
Changes in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	868,535	47,714	167,856	1,084,105	1,698,965
Unbilled accounts receivable	142,249	67,874	-	210,123	39,794
Due from other funds	73,177	(3,371)	-	69,806	(959,661)
Other receivables	140,907	-	-	140,907	(192,844)
Inventories	(47,611)	4,211	4,583	(38,817)	(384,591)
Other assets/prepaid expenses	259,372	-	(958,041)	(698,669)	264,358
Increase (decrease) in liabilities:					
Vouchers payable	1,483,144	(460,609)	1,397,681	2,420,216	(297,946)
Accrued payroll	14,900	36,700	21,565	73,165	44,068
Due to other funds	2,793,787	(79,710)	974,542	3,688,619	71,709
Other liabilities	181,218	39,434	-	220,652	85,697
Other long-term liabilities	(5,551,124)	-	-	(5,551,124)	1,516,250
Net cash provided by operating activities	<u>34,401,225</u>	<u>4,995,887</u>	<u>12,346,685</u>	<u>51,743,797</u>	<u>52,069,209</u>
Cash flows from non-capital financing activities:					
Operating transfers out	(10,346,000)	(1,450,000)	-	(11,796,000)	(9,450,000)
Intergovernmental revenue	-	-	-	-	3,000,000
Net cash provided by (used in) non-capital financing activities	<u>\$ (10,346,000)</u>	<u>\$ (1,450,000)</u>	<u>\$ -</u>	<u>\$ (11,796,000)</u>	<u>\$ (6,450,000)</u>
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	\$ (20,627,551)	\$ (4,108,018)	\$ (8,633,649)	\$ (33,369,218)	\$ (39,031,430)
Payment of bonds payable	(12,380,801)	(3,538,872)	(4,017,739)	(19,937,412)	(19,070,797)
Interest and bond service charges paid	(15,939,410)	(2,084,688)	(5,352,071)	(23,376,169)	(24,574,585)
Proceeds from sale of fixed assets	2,707,847	140,976	-	2,848,823	62,200
Capital contribution	102,858	25,885	-	128,743	-
Refunding of debt principal	-	-	(12,420,000)	(12,420,000)	-
Proceeds from the issuance of bonds	-	-	28,040,000	28,040,000	23,000,000
Payments on advances from City	-	-	(1,000,000)	(1,000,000)	(1,470,000)
Net cash provided by (used in) capital and related financing activities	<u>(46,137,057)</u>	<u>(9,564,717)</u>	<u>(3,383,459)</u>	<u>(59,085,233)</u>	<u>(61,084,612)</u>
Cash flows from investing activities:					
Sale of investments	22,126,403	10,950,000	(4,732,004)	28,344,399	37,171,384
Purchases of investments	(590,804)	(6,873,374)	(3,797,000)	(11,261,178)	(36,608,095)
Interest on investments	2,439,458	118,514	1,345,720	3,903,692	5,842,408
Net cash provided by (used in) investing activities	<u>23,975,057</u>	<u>4,195,140</u>	<u>(7,183,284)</u>	<u>20,986,913</u>	<u>6,405,697</u>

CITY OF NORFOLK, VIRGINIA
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2001
with comparative totals for 2000

Exhibit E-3
Concluded

	Water Utility	Wastewater Utility	Parking Facilities	Totals 2001	Totals 2000
Increase (decrease) in cash and cash equivalents	\$ 1,893,225	\$ (1,823,690)	\$ 1,779,942	\$ 1,849,477	\$ (9,059,706)
Cash and cash equivalents:					
Beginning of year	32,342,008	1,889,308	4,834,233	39,065,549	48,125,255
End of year	<u>\$ 34,235,233</u>	<u>\$ 65,618</u>	<u>\$ 6,614,175</u>	<u>\$ 40,915,026</u>	<u>\$ 39,065,549</u>
Non-cash investing, capital and financing activities:					
Unrealized gain / (loss) on investments	\$ 414,979	\$ -	\$ 33,412	\$ 448,391	\$ (287,443)
Gain (loss) on sale or disposal of fixed assets	(227,019)	-	-	(227,019)	1,092,217
Transfer of assets to other funds	(26,292)	28,325	-	2,033	(425,835)
Acquisition of fixed assets through change in in contract retainage	913,160	(484,161)	596	429,595	724,169
Capitalized interest, less interest earned on certain long-term construction contracts	620,734	930,146	456,863	2,007,743	1,834,912
Refinance of bond anticipation note	23,000,000	-	-	23,000,000	-
Construction of fixed assets by private developers	-	16,551	-	16,551	498,615
Reconciliation of cash and cash equivalents to the balance sheet:					
Cash and cash equivalents	\$ 27,470,414	\$ (141,034)	\$ 4,442,842	\$ 31,772,222	\$ 29,738,261
Restricted cash held in escrow	941,447	206,652	-	1,148,099	1,426,686
Restricted cash with fiscal agent	5,823,372	-	2,171,333	7,994,705	7,900,602
Total cash per the balance sheet	<u>\$ 34,235,233</u>	<u>\$ 65,618</u>	<u>\$ 6,614,175</u>	<u>\$ 40,915,026</u>	<u>\$ 39,065,549</u>